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The Magazine of the United States Patent and Trademark Office



**Q. Todd Dickinson**  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office

It has been a remarkable year for the USPTO, and, with 2000 drawing to a close, December is an ideal time to review some of the accomplishments of this past year. Not only have we had a very successful year, I think we have a lot of which to be proud.

When I first came to USPTO, we faced some rather serious challenges: our management team was under construction, prospects for patent reform legislation were dicey, our space consolidation project faced numerous hurdles, several major IT initiatives were on the drawing board only, and we faced a growing workload that was showing no sign of letting up soon.

Things have changed, and I think for the better. Today, I am proud to say that as a \$1 billion business with more than 6,500 employees, we are meeting the challenges of the 21<sup>st</sup> century. Not only is our management team strong and well-functioning, it is committed to the ideals of a well-managed workforce that is focused on continuous improvement as the key to continued success.

The most sweeping revision of the patent law in the last half-century became a reality. The American Inventors Protection Act also restructured us as a performance-based organization, giving us flexibility and independence to perform more like a business and, hopefully, less like a government bureaucracy. We finalized the lease on our new Carlyle Campus, which, when completed, will consolidate our office space in one new central location. With a groundbreaking coming up in mid-January, I am proud to say that we are on schedule and on budget. I know that by 2004, our new offices will serve to maximize our efficiency and provide the modern workspace our employees deserve.

And we realized the full implementation of a number of our innovative IT and automation plans as a significant part of our daily operation. Patent and trademark applications can be filed online, customers can check on-line on the status of an application, and we've continued to improve and expand search tools for our examiners. Finally, we were able to meet the tremendous growth in our workload by hiring a net of almost 800 new examiners.

Of course, these changes did not happen by themselves. By focusing on quality, skills training, efficiency, and proactive management, we brought the administration of the patent and trademark system into the age of e-government and maintained our goal to be the best IP office in the world.

As we reflect upon our accomplishments in 2000, I know that we are committed to making 2001 even more of a success for the new USPTO.

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## **An Active Eight Years for IP**

*by Tod Preston, Office of Legislative and International Affairs*

A new administration will soon be taking over the reins of the executive branch of the federal government. As the United States Patent and Trademark Office prepares for this transition, it's an opportune time to review developments on the intellectual property front since the last administration came into office. In many ways, it's been a remarkable eight years — light years, as they say, in Internet time.

The importance of intellectual property (IP) and the profile of the USPTO has increased dramatically since the dawn of the Clinton-Gore administration in January 1993. Here in the United States, a wave of high-tech invention and innovation, arguably the greatest ever, has fueled the longest economic expansion in our nation's history. As a result, patents, trademarks, and copyrights have become inexorably linked to economic vitality. This has made the protection of IP rights increasingly important.

Given these rapid developments, the demands on the USPTO have been enormous -- and the need for its expertise has risen to unprecedented heights. Just within the last year, for example, we have seen the enactment of the most sweeping patent reform legislation in a half-century, the transformation of the Office into a "performance-based organization" leading federal government reinvention, the awarding of the lease for a new 2 million sq. ft. office complex in Alexandria, and the signing of the new Patent Law Treaty by 43 member states of the World Intellectual Property Organization. The list goes on and on.

What follows are the highlights of the more noteworthy developments of the last eight years, beginning with developments within the agency itself and then on the international policy front.

#### Workload

One of the more fundamental IP developments in the last eight years has been the sharp increase in U.S. patent and trademark filings, which has led to a dramatic increase in USPTO workload. Indeed, since 1993 patent and trademark filings have increased more than 70 percent. Patent filings have gone from 174,000 in 1993 to just under 300,000 this year, and trademark applications have increased from 140,000 to over 370,000. The sheer volume of all of this data has won the USPTO the distinction of having more data storage than the combined contents of every book in the Library of Congress.

Two other statistics also underscore the explosive growth in the Office's workload: In 1993, total USPTO revenue was \$498 million. For 2001, it is projected to be \$1.2 billion. In addition, the time between millionth patent milestones was cut in half since the 5 millionth patent was issued in 1990 and the 6 millionth patent in 1999.

One way the USPTO has responded to this sharp increase in business has been to expand its workforce. The size of the patent examining corps has increased from 1,900 examiners in January 1993 to about 3,200 today. At the same time, the size of the trademark examining corps more than doubled, from 150 to 380. With this expansion, the USPTO is now, by all accounts, the most diverse agency in the federal government. Forty-five percent of the employees are women, and African-American and Asian employees make up about 34 percent and 17 percent of the USPTO workforce, respectively. The agency takes great pride in the fact that its workforce reflects the diversity of the American people.

### Quality and Customer Focus

Even more important than an expanded workforce, however, has been the Office's heightened focus on customer service and quality management. In order to provide better service to its patent and trademark customers, the USPTO has revolutionized its products and services over the past eight years, utilizing the Internet to offer one-stop, e-government "shopping." The USPTO's award-winning Web site now offers free access to every U.S. patent granted since the very first one in 1790, electronic filing of patent and trademark applications, up-to-the-minute status checks of patent and trademark applications, and credit card payment for all fees and services — just to name a few.

An important milestone occurred in 1995, when the USPTO began conducting annual surveys of patent and trademark customers, a valuable tool for pinpointing areas for improvement in the Office. Since that time, the USPTO has expanded customer outreach efforts through focus sessions, written surveys, interviews, roundtables, partnerships, and technology fairs. The Office has adopted the balanced scorecard methodology for all major operating units to better track and optimize operational performance, established the Office of Quality Management, and instituted customer service training for all patent employees. Training for trademark employees will begin in the new year.

Other initiatives undertaken to better meet the needs of customers include the establishment of the Office of Independent Inventor Programs in 1999, the launching of new TV and radio spots to fight invention promotion firms scams, and the creation of USPTO Web sites devoted specifically to independent inventors and children.

All of these programs have helped achieve a significant increase in customer satisfaction and are helping make the USPTO the standard-bearer for excellence in government. For example, a study earlier this year by the National Partnership for Reinventing Government, in cooperation with the Office of Personnel Management, ranked the USPTO #1 in the federal government in six different areas it surveyed, including having service goals aimed at meeting customer expectations.

Fortunately, a greater focus on customers has also been accompanied by a heightened focus on employees. Over the past eight years, the USPTO has taken a number of steps to improve the quality of work life so that it can attract and retain the best and the brightest employees. For example, through the leadership of former Commissioner Bruce Lehman and the late Commerce Secretary Ron Brown, the agency established PTO University in

1994. Partnering with five academic institutions (Northern Virginia Community College, Marymount University, Johns Hopkins University, University of Virginia, and Syracuse University), PTO University offers employees 11 academic programs at the undergraduate and graduate levels. In addition to these educational opportunities, the Office has expanded flexible hours, established full-time casual dress policies, and increased telecommuting programs. More employee-friendly policies are in the works, as well.

#### International IP Policy

As impressive as the developments have been within the agency itself, an unprecedented integration of IP in trade treaties, practices, and agreements has also taken place since January 1993. Under the leadership of Director Dickinson, former Commissioner Bruce Lehman, and others in the administration such as former Commerce Secretary William Daley, the USPTO has helped foster a global environment that clearly recognizes the importance of IP. In so doing, the USPTO has championed initiatives that will provide for stronger, more affordable, and more accessible IP protection in markets around the world.

The course for these initiatives was charted early on in the administration when, in 1994, the USPTO helped negotiate the World Trade Organization's Agreement on the Trade-Related Aspects of Intellectual Property (TRIPs). The TRIPs Agreement, which weaves patent, trademark, and copyright norms into the international trading system, now serves as the center of today's international IP protection system. Since TRIPs came into effect, the USPTO has sponsored numerous technical assistance and training programs to help developing economies bring their domestic laws into compliance with TRIPs.

At the same time in the patent area, the USPTO has led international efforts to secure efficient and affordable protection of the rights of all inventors throughout the world. It has done so through a formal proposal to simplify the Patent Cooperation Treaty and the recent adoption of the Patent Law Treaty. Similarly, on the trademark front, a high priority has been placed on harmonizing the procedures of national trademark offices worldwide. In addition to the ratification and implementation of the Trademark Law Treaty in 1998, the USPTO is anticipating implementation of the Madrid Protocol next year, which would streamline the trademark registration process by permitting U.S. trademark owners to file for registration in any number of 65 member countries by filing a single standardized application, in English, with a single set of fees at the USPTO.

The copyright front has been very active as well. The administration's leadership in this area began early in 1993 when President Clinton established the Working Group on Intellectual Property Rights, which was chaired by the USPTO. The group's 1995 report on "Intellectual Property and the National Information Infrastructure" led to adoption of the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty in 1996, the enactment of the Digital Millennium Copyright Act in 1998, the Conference on the Fair Use of copyrighted works, and other initiatives to strengthen copyright protection.

Other important milestones on the IP policy front included: (1) The creation of the National Intellectual Property Law Enforcement Coordination Council, established by Congress in 1999. The USPTO serves as cochair of the Council, along with the Justice Department, which grapples with the myriad of IP enforcement issues that seem to grow by the day. (2) The adoption this past September of the "Joint Recommendation Concerning Trademark Licenses" by the member states of WIPO's Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications. Championed by the United States, the Joint Recommendation complements the Trademark Law Treaty (TLT) through the simplification and harmonization of trademark licensing procedures. (3) The signing in July 1999 of a new Act of the Hague Agreement Concerning the International Registration of Industrial Designs by the United States and 22 other nations. The new Geneva Act attempts to establish an international system for obtaining protection for industrial designs that is compatible with the existing diverse range of national laws. The new act revises the current agreement in order to make the system simpler, less expensive, and more responsive to the creators of industrial design.

### Conclusion

From the global integration of intellectual property to one-stop electronic services, the USPTO has made great strides during the Clinton-Gore administration. If the last eight years are any indication, the next administration will also be a time of extraordinary opportunity and extraordinary challenge for IP. As it embarks on this new chapter in its history, the USPTO looks forward to continuing to improve its services to America's inventors and entrepreneurs -- the engines of our New Economy.

# **The Evolution of the Business Method Patent and Update on the Business Method Action Plan**

*By Wynn Coggins, Technology Center 2100*

## ***Past to Present***

In 1876, Alexander Graham Bell revolutionized communication with his invention of the telephone. In 1880, Thomas Edison harnessed electricity with his invention of the light bulb. In 1906, Orville and Wilbur Wright created a new travel industry with their invention of the flying machine. IBM's earliest inventions in data processing date back to the late 1800s, and electrical-mechanical devices became common in the early 1900s. In the late 1980s, patents were granted on using animals for cancer research. These are all examples of huge, revolutionary ideas that have helped shape our great nation into the industrial giant that it is today. And the list simply goes on and on. But are the really big, revolutionary ideas all used up? Do we have any more "telephones," "computers," or "light bulbs" out there? Sure we do, but many of the patents issued today are taking a new shape. Small, incremental improvements to a known process or system are becoming more and more commonplace, and patents on electronic commerce business methods are emerging as a growing and controversial area.

## ***The Action Plan***

On March 29, 2000, Under Secretary Dickinson announced an action plan for business method patents which included initiatives on outreach to the electronic commerce industry and enhanced quality for the examination process of business method patents. The outreach initiatives specifically addressed establishing formal customer partnerships with the software, Internet, and electronic commerce industry to provide a forum to discuss mutual concerns, problems and possible solutions, and to share USPTO operational efforts in the business methods technology area. The outreach initiatives also addressed convening a roundtable forum with stakeholders and making a greater effort to locate and obtain relevant prior art resources using industry feedback.

The quality initiatives of the action plan included enhanced techni-



cal training for the examiners, revised examination guidelines for computer-related inventions, and expanded search activities.

Many of these initiatives have been put in place. Technology Center 2100 has established customer partnerships with 12 organizations, many of which have offered to provide examiner training, internships, field trips, and input on search strategies. USPTO has met individually with these organizations, however, the inaugural partnership meeting with these organizations is planned for the spring of 2001. In addition to the partnership organizations, representatives from the public, academia, and the private sector are also welcome.

USPTO continues to place emphasis on receiving and cataloging industry feedback on current prior art resources, and soliciting input on possible ways to expand these resources to include other databases and information collections that are not currently available to the examiners in Class 705. Public announcements will be made to help with this effort. Sometime in December or January an *Official Gazette* notice will be published requesting input from interested parties on current USPTO search resources used in the examination of applications in Class 705. A full and complete listing of current USPTO prior art resources will be provided in the notice for comment, along with a detailed description of the mandatory search that is now required for all applications examined in Class 705.

To address quality concerns by industry and patent practitioners, the USPTO has successfully implemented all of the quality initiatives outlined in the action plan. Technical training for the examiners has been enhanced to ensure technical currency on the various business method topics. Many of the partnership organizations have helped with this effort by providing speakers and training materials to the examiners. New positions in TC 2100 for a business practice specialist and a senior level examiner are being established and pursued to act as a resource on industry business practices and standards.

The Manual of Patent Examination Procedure guidelines for computer-related inventions was revised in February 2000 to reflect the *State Street Bank* and *AT&T v. Excel* court decisions. Additionally, mandatory searching has been implemented in TC 2100 for all applications in Class 705. This mandatory searching includes a classified US patent document search, foreign patents, and non-patent literature. Also, a new second-level review of all allowed applications in Class 705 is now required and the sampling size for review by the Office of Patent Quality review has been expanded

for Class 705 applications.

### *The Future*

Computers and the Internet have created an information age that is truly revolutionizing how we function as a society. New technologies are constantly emerging that didn't exist three weeks ago, and developers in

these areas don't always recognize the need to protect their discoveries. Thus, traditional patent search strategies need to be enhanced to meet future needs in these growing technology areas, and USPTO is working to bridge the gap with industry and work together to make this happen. With the help of the partnership organizations, concerns about the quality of the searches being performed by patent examiners and the examiner knowledge base on which they have to make decisions on patentable subject matter are being aggressively addressed. The business method patent phenomenon translates to progress. It is an example of the evolution the patent process is undergoing to keep pace in today's technology and information age.

### **A Second Pair of Eyes....**

#### **Enhanced Review**

*as of October 23, 2000*



Number of allowed cases reviewed = 460

Number returned to SPE (any question) = 187

...being very conservative...

...lots of questions being asked...

Number reopened after SPE review = 28 (6.1 percent)

...one or more claims caused reopening...

...six were reopened due to all claims (1.3 percent).

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## **2000 Customer Satisfaction Survey Results**

*by Julie Chapin, Office of Quality Services*

The Annual Customer Satisfaction Survey enables USPTO to assess customer satisfaction with its processes and standards. Each year a random sample of patent and trademark customers are selected to participate in the survey. The results of the survey are used to measure progress in improving customer satisfaction as

well as identifying areas for improvement. The results often serve as catalysts for quality programs and initiatives throughout the year and beyond.

For patents, a total of 7,333 surveys were mailed with a goal of sampling approximately 1,000 respondents in each technology area. A response rate of 37 percent was achieved with a total of 2,545 completed surveys. Eighty-seven percent of the respondents described themselves as being a “continuous customer” of the USPTO, and 80 percent were patent agents/attorneys. Another 18 percent of respondents represented large businesses with individual inventors making up 6 percent of the survey respondents.

For trademarks, a total of 1,113 surveys were mailed, and 400 surveys were returned for an overall response rate of 38 percent. Seventy-five percent of the respondents described themselves as “continuous customers,” and 76 percent of the respondents identified themselves as attorneys. Individual applicants made up only 1 percent of the total respondent population. This profile is basically the same as in 1999.

### Key Drivers

Key drivers identify factors having the greatest impact on overall customer satisfaction. The key drivers for patents this year include:

Direct you promptly to the proper office or person.

Return telephone calls within one business day or, if requested by the caller, provide an alternate point of contact.

Set forth clearly in written communications, the technical, procedural, and legal position of examiners.

Mail accurate filing notices for complete, standard applications. (In 1999, question read “Mail *correct* filing notices...”)

Conduct a thorough search during patent examination process of relevant U.S. patents, foreign patent literature,

**THANK YOU** — To those who took the time to respond to the USPTO Annual Customer Satisfaction Survey 2000. Through your personal involvement, and the participation of other practitioners, the agency expects to enhance its understanding of your needs and at the same time, develop initiatives for improving your satisfaction with USPTO products and services.

and non-patent literature contained in USPTO search files and, where appropriate, a reasonable search of other non-patent literature.

Provide patent grant within 36 months of filing.  
(Question was not asked in 1999.)

All the key drivers increased in satisfaction from 1999 except for “Clear written communications” which remained the same and “Conduct a thorough search” which decreased 3 percent. Two key drivers are new standards this year: “Mail accurate filing notices” and “Provide patent grant within 36 months.”

*The key drivers for trademarks include:*

Direct you promptly to the proper office or person.

Set forth clearly in written communications, the technical, procedural, and legal position of examiners.

Provide a final determination regarding registrability within three months of filing.

Mail filing receipts within 14 days after receipt of application in the USPTO.

Respond to amendments within 35 days from mail room receipt date.

Issue Certificates of Registration with the correct information.

Provide clear and accurate answers to questions regarding the trademark application process through the Trademark Assistance Center.

For trademarks, the largest increase in customer satisfaction for a key driver was in “Respond to amendments within 35 days” which increased 4 percent. The largest decrease was 6 percent in “Mail filing receipts within 14 days after receipt of application.”

The 2000 patent customer satisfaction survey results are quite encouraging. Overall customer satisfaction in the Patent area has improved by 12 percent in the last two years, increasing from 52 percent in 1998 to 64 percent in 2000. Additionally, dissatisfaction is only 13 percent.

A growing number of respondents are commenting about the proactive and individualized service, as well as the helpfulness of examiners in pointing out appropriate changes and working out issues over the telephone. Approximately 80 percent of respondents are satisfied with the use of the telephone for examination issues.

Most of the patent respondents who rated overall satisfaction as either neutral or dissatisfied appear to be dissatisfied with search quality and the service provided in following up on their problems and complaints. A Search committee task force was formed in 1999 and will continue to seek ways of improving search quality through ongoing focus sessions and developing efficient means for improving the search process for examiners. Additionally, USPTO is developing a customer complaint resolution database and staffing customer service centers to address problems and complaints expeditiously.

Overall satisfaction for Trademarks remains above 60 percent (at 65 percent satisfied), and dissatisfaction with overall services remains low, at 14 percent. Satisfaction with document accuracy (with the exception of filing receipts) remains strong, and several aspects of customer service and examination quality show high satisfaction ratings. While several areas remain strong in 2000, the results indicate some declining and unchanging satisfaction levels from 1999 to 2000.

Satisfaction with customer service was basically unchanged, but some slippage occurred for returning telephone calls within one business day.

Low levels of satisfaction still exist in trademarks regarding some key examination quality issues, including sufficiency of evidence in supporting actions, efficiency of the examination process, consistency of examination, and appropriateness of refusals made under 1052(d) and 1052(e). About one-third of the respondents reported that rejections are not usually appropriate under 1052(d) and 1052(e).

Targets for improvements have been outlined and new and on-going initiatives are underway to address these issues. To address the examination quality issues, the Office is developing additional guidelines for examining attorneys, and also is considering modifying several aspects of examination practice. Customer service training for all employees is also planned.

The 2001 Patent and Trademark Customer Satisfaction Surveys will be mailed in the spring of 2001. If you are randomly selected

to receive a survey please take a few minutes to respond. Your input is important and valuable to the USPTO.

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## **Patent and Trademark Depository Library Program Offers Service Nationwide**

*by Cynthia Banicki, Network Librarian  
Patent and Trademark Depository Library Program*

The Patent and Trademark Depository Library (PTDL) Program is a nationwide network of libraries staffed by skilled information professionals who disseminate intellectual property information using a variety of media. These prestigious public, academic, and state libraries designated as PTDLs by the under secretary of commerce for intellectual property and director of the United States Patent and Trademark Office facilitate access to what many consider to be the largest collection of technological and scientific information in the world.

The PTDL Program began in 1871 when federal statute (35 USC 13) first provided for the distribution of printed patents to libraries for use by the public. During the program's early years, 22 libraries, mostly public and all but several located east of the Mississippi River, elected to participate. PTDLs now reside at 44 academic libraries, 36 public libraries, seven state libraries, and one special library. Since 1977 the PTDL network has grown to 88 PTDLs, including three partnership libraries located in Sunnyvale, California, Detroit, Michigan, and Houston, Texas.

The United States Patent and Trademark Office provides significant support to these libraries. PTDLs receive current patent and trademark information, including subscriptions to electronic search and data delivery products. The PTDL Program also offers seminars and other extensive training programs specifically designed for PTDL librarians.

Each PTDL offers access to utility, design, plant, and reissue patents; reexamination certificates; Statutory Invention Registrations; post-issue patent status information; *The Official Gazette of the U.S. Patent and Trademark Office* (both patent and trademark sections); and all USPTO search tools, indices, and directories. All materials are distributed in a variety of formats including print, microfilm, microfiche, CD-ROM, DVD-ROM, diskette, and online.

PTDLs support special programs for inventors and intellectual property practitioners. For example, the Stillwater PTDL at Oklahoma State University cosponsored an educational workshop in November 2000 for inventors, partnering with the Oklahoma Inventor's Assistance Service. Earlier in the year this PTDL also cosponsored a two-day conference with the legal community titled "Celebrating 6 Million Patents: Encouraging Future Progress" during which USPTO speakers provided presentations on the patent process, legal issues, searching and recent news in the patent and trademark arena. Educational seminars currently being supported by PTDLs include the *Patents 2000 Customer Outreach Program*. Addressing the implementation of the American Inventors Protection Act and Electronic Commerce with the USPTO, these seminars were held at 13 PTDLs located across the country during the months of June through December. More seminars are being scheduled for 2001.

Specialized services at partnership PTDLs, offered on a cost recovery basis, supplement the free public access to patent and trademark products and services available at all PTDLs. State-of-the-art technology at the partnership PTDL libraries supports a variety of services previously available only at the USPTO, including access to the EAST, WEST, and X-search systems--the same electronic search systems used by patent examiners and trademark examining attorneys--high speed digital facsimile service, document delivery, disclosure document filing, and special seminars and workshops.

Secure videoconference links are available between USPTO and the partnership PTDLs for use in conducting USPTO business. Inventors and attorneys or agents can use the facilities designed for confidential interviews with USPTO patent examiners. A document camera and high-speed digital facsimile service facilitate instantaneous document preparation and exchange. The facilities are also available for interactive training programs, seminars and planning sessions. The USPTO offers encrypted videoconferencing for interviews with examiners.

The presence of a PTDL is valued in every locale as a rich resource for small businesses, research and development firms, university and

governmental laboratories, independent inventors, and entrepreneurs. Each PTDL brings the newest technology in the form of patents to a myriad of potential users in a city, state, or entire region. Patents also provide a unique body of scientific and technical literature that adds value and stature to a library's collection. Access to trademark information provides a service in high demand by local businesses. The availability of high quality patent and trademark information services in PTDLs serves to build the area's economy and continually attracts new communities of users, further expanding demand for USPTO information products and services.

For more information visit the PTDL Web site at: <http://www.uspto.gov/go/ptdl> .

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## Helpful Hints

### for patent applicants

USPTO employees speak frequently with inventors or potential inventors, and we are often surprised by the amount of misinformation that is circulating. In this month's Helpful Hints column, Dick Apley, director of the Office of Independent Inventor Programs, tests your awareness of fact and fiction in the patent process. How do you fare?

### Something's Mything!

*by Richard Apley, Director, Office of Independent Inventor Programs*

**Truth or myth?** In 1943, while on vacation in Santa Fe, New Mexico, Edwin Land snapped a picture of his three year old daughter. When she asked how long it would take before she could see the picture, Land wondered if it wouldn't be possible to develop and print a photograph inside a camera. After five years of research,



in 1947 Land introduced the Polaroid Model 95, which produced sepia-toned pictures in 60 seconds. Land took the camera to Kodak, but they dismissed his invention as a toy and turned down the opportunity to market the Polaroid.

**Truth or myth?** The cheapest way to establish your date of invention or “conception” is by mailing to yourself a registered letter describing the invention and leaving it sealed?

This practice is commonly called a “poor man’s patent” and is practically worthless. You cannot protect your invention against later inventors by merely mailing yourself a registered letter. There are many other methods to protect your invention: (1) keep full, detailed, records that are witnessed by others; use a bound notebook rather than a loose-leaf for protection against a charge that something was inserted later; (2) file a disclosure document; (3) file a provisional patent application; or (4) file a non-provisional patent application.

**Truth or myth?** Once granted a United States patent you can make or sell it in the United States and you can enforce it throughout the world?

A United States patent for an invention is a grant of a property right by the government to the inventor. The right conferred by the patent grant is the right to exclude others from making, using, offering for sale, or selling the invention in the United States or importing the invention into the United States. What is granted is not the right to make, use, offer for sale, sell, or import, but the right to exclude others from doing these things. Also, the grant of the United States patent is only enforceable in the United States. If you want protection around the world, you will have to file applications in those foreign countries in which you want patent protection.

**Truth or myth?** If you invent a better mousetrap the world will beat a pathway to your door?

With a commercialization success rate between two and five percent for inventions, this statement is one of the more fanciful ones we often hear. The origin for this saying is from a lecture given by Ralph Waldo Emerson in 1855: “If a man write a better book, preach a better sermon, or make a better mousetrap than his neighbor, though he builds his house in the woods, the world will make a beaten path to his door.” Most successful inventors and marketers will tell would-be inventors that successful products must solve two problems. First, the product must be needed by lots of people.

Second, the product has to solve a specific problem. Remember, the original slide fastener, which has developed into the modern zipper, was patented by Whitcomb L. Judson in 1893, but was not successfully marketed until about 1905.

**Truth or myth?** A working model is required to be submitted with your patent application.

The requirement of a model with each patent application was dropped in 1870. With the exception of cases involving perpetual motion, a model is not ordinarily required by the USPTO to demonstrate operativeness of a device. If operativeness of a device is questioned, the applicant must establish it to the satisfaction of the examiner, but the applicant may choose the way of so doing.

**Truth or myth?** A Patent Office official resigned and recommended that the Patent Office be closed because he thought that everything that could be invented had already been invented.

While that statement makes good fun of predictions that do not come to pass, it is none the less just a myth. Researchers have found no evidence that any official or employee of the U.S. Patent Office had ever resigned because there was nothing left to invent. Just the opposite is true.

A clue to the origin of the myth may be found in Patent Office Commissioner Henry Ellsworth's 1843 report to Congress. In it he states, "The advancement of the arts, from year to year, taxes our credulity and seems to presage the arrival of that period when human improvement must end." But Commissioner Ellsworth was simply using a bit of rhetorical flourish to emphasize the growing number of patents as presented in the rest of his report. He even outlined specific areas in which he expected patent activity to increase in the future.

This mythical quote has also been attributed to Charles H. Duell, who held the office of commissioner of patents in 1899. But unlike Ellsworth, who simply may have been misquoted, there is absolutely no basis to support Duell's alleged statement. Duell, like his predecessor, documented an increase in 1899 of about 3,000 patents over the previous year, and nearly 60 times the number granted in 1837. He further asked the Congress for aid and encouragement in improving the American patent system.

If you were wondering about the Edwin Land story... it's true.

# The Patent Business –

## Part Two

### A Conversation with Edward “Kaz” Kazenske, Deputy Commissioner for Patent Resources and Planning

*by Anne M. Houghton, Office of the Deputy Commissioner for Patent Resources and Planning*



The following is part two of a four-part series on the Patent Business. Part one featured in the November issue of USPTO TODAY an interview with Commissioner of Patents Nicholas Godici. Part two features an interview with the Deputy Commissioner for Patent Resources and Planning Edward “Kaz” Kazenske. Kazenske’s career prior to his appointment to the post of deputy commissioner for patent resources and planning included over 25 years of expertise in intellectual property rights and over 15 years of organizational management and leadership experience. The following article includes his description of the term “Patent Business,” some of the challenges that he faces regarding planning and resources, and his initiatives for the future.

*AH - What does the term “Patent Business” mean to you?*

Kaz - The term “Patent Business” has evolved from several issues such as fees, legislation, and reengineering that have effected the Office over the last decade. There was a lot of discussion about a business concept in the early ‘90s when we became 100 percent fee-funded. Later, legislation came along where we were to become a PBO [performance based organization] or government corporation.

In view of moving to a PBO and not relying on tax payer funding, we were forced to start looking at ourselves much like a business would operate, and less like a typical government organization or bureaucratic system. Since all of our costs must be recovered by fee income, we needed other tools as well such as moving to ABC [activity based cost] accounting and to start budgeting much more

closely to our costs and revenue activities. Other factors that came into play through reevaluating our strategic planning process was the message that we need to deliver products and services much more like a business would. Though we have a public responsibility, operating as a business really changed the involvement and focus of this organization.

*AH - As deputy commissioner for patent resources and planning, what are the biggest initiatives you're implementing over the next two fiscal years and what kind of impact will they have on the Patent Business?*

Kaz - I think our biggest effort is our aggressive movement toward e-commerce and automation. The second issue would be a total reevaluation and look at the patent examination process. That involves two aspects: one of reengineering, and one of a potential change in the process by regulation and statute. A third initiative, which may be our biggest challenge, is moving toward a greater involvement in knowledge management as an organization. All these efforts are equally important because of the growth and quality issues in this business. We have to collaborate much more closely with our significant partners, in order that their needs are met, be it for process issues or quality issues. At the same time, we'll have to work much more closely with our employees and our customers.

*AH - You're talking about a much more intimate relationship with your customer?*

Kaz - Yes, much closer. Particularly in the way a patent application is processed by the Office and by our customers. We should be discussing how we're going to share work in an e-commerce environment much more effectively and transfer that work between the parties.

*AH - Like a partnership?*

Kaz - Exactly, a much closer integration or partnership.

*AH - What do you believe is the most important factor for the Patent Business to focus on in the coming years and how do you plan to address it?*

Kaz - While the initiatives I previously mentioned are important, a very significant factor we must face in the coming years is: how do we balance the important intellectual rights of individuals and the public policy interests that may have potential social conflict with

those intellectual property rights? I think it's going to be particularly challenging. You see it as the evolution of the patentability of future technologies. You see it in the public comments of our involvement in the patentability of biotechnology and business methods. What does all this mean to the evolution of the system? I think it's one of the toughest problems we're going to face over the next few years.

We need to protect a person's intellectual property rights, however, we have to manage that in a way that it's not received negatively in the public social infrastructure. You're hearing lots of comments "Patents are going to be a toll on the Internet rather than an incentive." I don't believe that. I think we need to address these issues and weigh them very carefully. I think it may be our biggest challenge. Our products are the currency of the 21<sup>st</sup> century and it could be a real setback to our economic well-being should we fail to manage these complex issues.

*AH – And how would you combat that?*

Kaz - By not allowing the practices to diminish the actual rights of the individual and their creations.

*AH - What does e-government mean to you and what do you see as the Patent Business' role five years from now in e-government?*

Kaz - E-government for us is the operation of our business in a Web environment. For our role, I think we have to be as involved, as ingenious, as active, and as creative as the most creative businesses doing business on the Internet today. I think the quality of our product, the timeliness of our product, and the necessity for our product in a Web environment is going to be critical, not only to the Office, but to everyone involved in the system. As I said in the previous answer, intellectual property rights are key today and probably for many years to come in our knowledge-based economy. People are going to have a myriad of needs for our products and services.

*AH – Do you see patents as the leader in this creation of a knowledge economy?*

Kaz - Exactly. I think our evolution to the Web is going to make that happen. We will become a 24/7 organization. From a customer's perspective, we will have to provide capabilities that will allow us to operate in an environment much greater than we operate today in the Eastern time zone. As knowledge and technology play an ever-increasing role in our economy, the significant

work of the USPTO will be in the forefront, from an employee's perspective, from a customer's perspective, and from a Web-based process perspective.

*AH - Will the Patent Business be a model for other government organizations, which are evolving to future PBOs, or other service-oriented entities?*

Kaz - I would hope we would be. But I think my goal would go beyond government. We could become a model for a lot of similar business activities that need our work and take a leadership role in this business. I see our corporate partners moving very aggressively; however, we have other constituencies that just through various processes, may not be moving as aggressively. We'll have to build those bridges. It's not going to happen in the next year, but I would say in the next few years, you're going to see full leverage of automation and the Web in this business. People comment we have a long way to go. But, if you look back when we began reengineering three or four years ago, we've come a long way. Look at the e-filings of patent and trademark applications over the past two years. Those are huge steps for government to take. We're on the cutting edge of a lot of new issues. Being a model can be difficult, but I think we've risen to that challenge.

*Anne Houghton is on detail assignment to the Office of Patent Resources and Planning at the USPTO from the National Science Foundation.*



# Faces of the USPTO

The American Intellectual Property Law Association recognized the contributions of the following trademark examining attorneys “to the integrity of intellectual property law while in distinguished service at the United States Patent and Trademark Office.” AIPLA president, Lou Pirkey, presented the certificates during the association’s annual meeting in October.



**Karen Bush**  
Law Office 105  
10 years of service



**Jodi Lauterback**  
Law Office 107  
Five years of service

**Patrick Shanahan**  
Law Office 113  
10 years of service  
Photo not available

# From Welfare to Work

## Two USPTO Women Beat the Odds

*by David Temple, Office of the Commissioner for Trademarks*

In 1997, President Clinton challenged federal departments and agencies, under Vice President Gore's leadership, to help ensure the success of welfare reform. Recognizing the decennial census to be a singular opportunity for contributing to this initiative, then Secretary of Commerce William Daley

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pledged to hire 4,180 welfare recipients. Four thousand were expected to be recruited to well-paid temporary decennial enumerator jobs; the remainder would be the more "permanent," full time, clerical trainee positions designated throughout each of the remaining bureaus and agencies. Of the remaining Commerce Department agencies, the United States Patent and Trademark Office ranks first in the number of Commerce Departmental hires (53), roughly one-third of all the full time commerce hires under this program.

USPTO's success comes as a result of a determined and creative staff commitment to ensure that the opportunities made real by the president and secretary's initiative, would in fact find their way to the thousands of Americans on welfare who had simply prayed and hoped for such a chance. I know. I was privileged to be appointed to the Department of Commerce in 1998 to oversee the effort for Secretary Daley. I have witnessed wonderful and inspiring human events here in Washington, and in every corner of our nation.

I can tell you firsthand that the careful and sensitive planning of USPTO's Office of Human Resources has resulted in life-altering changes and tangible aspirations and dreams for many employees and their families. In fact, the two-week orientation and training program designed by the USPTO planners served in 1999 as a model for similar programming needs at the Commerce Department. Many former welfare recipients, like their sisters across the country, are leading the way in showing up to work everyday and on time; focusing on task and on teamwork; addressing and resolving workplace tensions and conflicts; "responsibility as a way of life versus responsibility an option;" balancing work and family, espe-



cially the challenging world of “single-parentdom.” And more.

Principally, they are women. They are women who are taking full advantage of new opportunities after years of unexpected, then fairly predictable, pain or hard luck. I remember meeting such a woman in Kansas City. She was hired in early 1999 by the regional Census office for a clerical position. She is now an entrepreneur with her own garment business and other interests. There are hundreds of other such “success stories” about poor women making great use of this unique federal opportunity which came their way.

Two such success “models” work in the Trademark organization.

As a child, Arnette Battle was obliged by fact and happenstance to drop out of school and help care for the needs of her ill mother and other dependent younger children in the household. During the next two decades, while largely dependent on some form of public assistance for all who were dependent on her, she began the GED high school equivalency completion program that was provided through her church. Also during that period she raised six children (five are now teenagers), while continuing to attend to her mother’s medical needs. From time to time she found work as a telemarketer, a customer service representative, a photography assistant, or as a housekeeper -- work that she could splice in between all of the other demands on her time and endless reservoir of patience.

Finally, her time had come. Her District of Columbia caseworker found her a slot with the city’s governance of Welfare-to-Work at the Department of Employment Services. Not long thereafter came the announcement and the application for the federal opportunity at the USPTO, the two week orientation, and now her exemplary work as a GS-3 clerk in Law Office III. When I asked Arnette what advice, if any, that she would offer to readers of this article or even to others in similar situations, she said: “Just tell them to try to learn patience. If they do, they’ll be all right.”

Charlotte Prado is also a patient person, usually... except perhaps in one notable area. Charlotte cannot wait to get to the office. She says she arrives around 5:30 a.m., “grabs the mail” and begins her day. How did this opportunity to come to a job before the sun rises come her way? After receiving a guiding hand from her Falls Church Human Services Employment and Training Division caseworker, Charlotte applied for and was hired as a GS-3 worker-trainee in September 1999. Within 10 months, she was selected for a GS-5 legal documents review clerk (data transcriber) position at the Trademark E-Commerce Law Office. This mother of three

children, born and raised in the Midwest, has every intention of becoming a permanent employee within six months. She passed the federal clerical examination last April and is hoping to advance quickly. The world seems much brighter.

But the earlier days and years were dark, intense, and uncertain for much of Charlotte's life. The events that shaped the period growing up in the "very" rural, remote and conservative Midwest fostered the determination that now drives her to succeed. After finding her way to Virginia, she worked at a few jobs, but those did not cover daycare expenses or the everyday expenses of a home and family. At the time she was selected for the welfare-to-work program, her only priority for herself and her family was "basic survival," and that was barely attainable.

Today, she "gives back." She trains others on the job, "several people," she says. She has coached and encouraged other worker trainees and other peers preparing to take the clerical examination. She has arranged training sites for lunch time informal classes taught on preparing job applications, interpreting vacancy announcements, and interviewing skills. "This job has raised my self-esteem and self-confidence," Charlotte said. "I know who I am and what I have to do."

Arnette and Charlotte are but two of thousands nationally whose self-esteem, self-confidence, and expectations have been raised by seizing opportunities provided from the president's Welfare To Work Federal Hiring Initiative. As a result, the lives and economic aspirations have fundamentally changed for whole families and their communities. The USPTO-WtW curriculum of orientation, training, and mentoring serves as a successful model not only for other Federal WtW programs, but also for training components here at USPTO and at other federal agencies generally.

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